

Program A: Administrative

Program Authorization: Section 16, Article XIV of La. State Constitution of 1974

PROGRAM DESCRIPTION

The mission of the Administrative Program in the Louisiana Stadium and Exposition District is to provide for the operation of the Louisiana Superdome and New Orleans Arena through self-generated operating revenues, and collection of the 4% hotel occupancy tax in Jefferson and Orleans Parishes. The goals of the Administrative Program in the Louisiana Stadium and Exposition District are:

1. Sustain self-supporting operating revenues to eliminate reliance on General Fund appropriations.
2. Provide economic benefits to the City of New Orleans and the State of Louisiana.

The source of funding for the Louisiana Superdome is: (1) fees and self-generated revenues derived from event rentals, admissions, concessions, parking and advertising, and (2) surplus from the hotel/motel tax collection.

The source of funding for the New Orleans Arena is: (1) fees and self-generated revenues derived from event rentals, admissions, concessions, parking , advertising and Premium Seating.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) Through the Louisiana Superdome, to increase contract and event parking at existing operating budget level.

Strategic Link: This operational objective relates to Strategic Objective 1: *To increase contract and event parking revenue by 22% through better controls, aggressive sales, increased rates and greater number of events.*

Louisiana: Vision 2020 Link: Information not provided by agency.

Children's Cabinet Link: Information not provided by agency.

Other Link(s): Information not provided by agency.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD FY 1999-2000	PERFORMANCE FY 1999-2000	STANDARD FY 2000-2001	STANDARD FY 2000-2001	BUDGET LEVEL FY 2001-2002	BUDGET LEVEL FY 2001-2002
K	Dollar amount of contract and parking revenues (in millions)	\$3.0	\$3.4	\$3.4	\$3.4 ¹	\$3.5	\$4.0

¹ Existing Performance Standard for FY 2000-2001 reflects the standard as it appears in Act 11 of 2000 and LaPAS. However, the agency indicates that the actual existing figure for FY 2000-2001 is \$3.5 million.

2. (KEY) Through the Louisiana Superdome, to maintain advertising rights fees through a program of selling sponsorship and naming rights in certain sections of the building.

Strategic Link: This operational objective relates to Strategic Objective 2: *To increase advertising rights fees through a program of selling sponsorship and naming rights in certain section of the building.*

Louisiana: Vision 2020 Link: Information not provided by agency.

Children's Cabinet Link: Information not provided by agency.

Other Link(s): Information not provided by agency.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Dollar amount of advertising	\$560,000	\$800,000	\$560,000	\$560,000 ¹	\$700,000	\$700,000

¹ Existing Performance Standard for FY 2000-2001 reflects the standard as it appears in Act 11 of 2000 and LaPAS. However, the agency indicates that the actual existing figure for FY 2000-2001 is \$700,000.

3.(KEY) Through the Louisiana Superdome, to attract additional corporate and convention activities to increase event income through an aggressive sales campaign.

Strategic Link: Information not provided by agency.

Louisiana: Vision 2020 Link: Information not provided by agency.

Children's Cabinet Link: Information not provided by agency.

Other Link(s): Information not provided by agency.

Explanatory Note: This a new objective. Previously, the objective focused on commercial office space relative to event income. However, commercial rent is capped out. This new objective represents an area of growth for the New Orleans Superdome.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Dollar amount of event income (in millions)	Not applicable ¹	\$300	Not applicable ¹	\$551 ²	\$550	\$550

¹ New indicator added for FY 2001-2002, therefore the indicator has no yearend performance standard for FY 1999-2000, or an Act 11 performance standard for FY 2000-2001.

² New indicator added for FY 2001-2002, therefore the Existing Performance Standard Value reflects an estimate and not a standard.

4. (KEY) Through the Louisiana Superdome, to maintain administrative cost, including salaries and wages, through continued consolidation of staff and more effective management of resources .

Strategic Link: This operational objective accomplishes Strategic Objective 4: *To maintain administrative cost, including salaries and wages, through continued consolidation of staff and more effective management of resources.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD FY 1999-2000	PERFORMANCE FY 1999-2000	STANDARD FY 2000-2001	STANDARD FY 2000-2001	BUDGET LEVEL FY 2001-2002	BUDGET LEVEL FY 2001-2002
K	Dollar amount of administrative cost (in millions)	\$5.2	\$5.1	\$5.6	\$5.6	\$5.7	\$6.0

5. (KEY) Through the New Orleans Arena, to increase advertising rights fees through a program of selling sponsorship and advertising.

Strategic Link: Not applicable

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The New Orleans Arena was opened in October of 1999, to increase advertising rights fees through a program of selling sponsorship and advertising.

L E V E L		PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD FY 1999-2000	PERFORMANCE FY 1999-2000	STANDARD FY 2000-2001	STANDARD FY 2000-2001	BUDGET LEVEL FY 2001-2002	BUDGET LEVEL FY 2001-2002
PERFORMANCE INDICATOR NAME							
K	Dollar amount of advertising (in thousands)	Not applicable ¹	Not available ¹	\$700,000	\$700,000	\$350,000	\$350,000

¹ This indicator was added for FY 2000-2001, therefore the indicator has no yearend performance standard for FY 1999-2000. Performance information for the indicator was not tracked or reported in FY 1999-2000.

6. (KEY) Through the New Orleans Arena, to increase luxury seating revenue through an aggressive sales campaign and expansion of the Arena Club Seat program.

Strategic Link: Not applicable

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD FY 1999-2000	PERFORMANCE FY 1999-2000	STANDARD FY 2000-2001	STANDARD FY 2000-2001	BUDGET LEVEL FY 2001-2002	BUDGET LEVEL FY 2001-2002
K	Dollar amount of luxury seating revenue (in millions)	Not applicable ¹	Not available ¹	\$2	\$2	\$1.8 ²	\$2

¹ This indicator was added for FY 2000-2001, therefore the indicator has no yearend performance standard for FY 1999-2000. Performance information for the indicator was not tracked or reported in FY 1999-2000.

² For FY 2001-2002, the continuation level projection was lowered due to fact that renewals were not at 100%.

7. (KEY) Through the New Orleans Arena, to increase revenue generated from events through effective marketing strategies, aggressive concert bookings, and collection of associated revenue.

Strategic Link: Information not provided by agency.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE	ACTUAL YEAREND	ACT 11 PERFORMANCE	EXISTING PERFORMANCE	AT CONTINUATION	AT RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Dollar amount of events revenue	Not applicable ¹	Not available ¹	Not applicable ¹	\$912 ¹	\$1,400,000	\$1,400,000

¹ This is a new performance indicator for FY 2000-2001. The indicator did not appear under Act 10 of 1999 or Act 11 of 2000, and does not have performance standards for FY 1999-2000 and FY 2000-2001. No performance data for this indicator were tracked or reported for FY 1999-2000. The value shown for existing performance standard is an estimate of yearend performance, not a performance standard.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	29,763,577	31,763,577	30,519,266	33,185,574	1,421,997
Statutory Dedications	9,729,998	2,030,000	2,030,000	2,030,000	2,030,000	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$9,729,998</u></u>	<u><u>\$31,793,577</u></u>	<u><u>\$33,793,577</u></u>	<u><u>\$32,549,266</u></u>	<u><u>\$35,215,574</u></u>	<u><u>\$1,421,997</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	7,200	7,200	7,200	4,200	(3,000)
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	76,900	76,900	330,931	57,400	(19,500)
Professional Services	0	274,000	274,000	289,480	831,974	557,974
Total Other Charges	9,729,998	31,435,477	31,435,477	31,921,655	29,652,000	(1,783,477)
Total Acq. & Major Repairs	0	0	2,000,000	0	4,670,000	2,670,000
TOTAL EXPENDITURES AND REQUEST	<u><u>\$9,729,998</u></u>	<u><u>\$31,793,577</u></u>	<u><u>\$33,793,577</u></u>	<u><u>\$32,549,266</u></u>	<u><u>\$35,215,574</u></u>	<u><u>\$1,421,997</u></u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

SOURCE OF FUNDING

The source of funding is State General Fund and Fees and Self-generated Revenues. The Fees and Self-generated Revenues are derived from the 4% hotel/motel occupancy tax collected in Orleans and Jefferson Parishes and from event rentals, admissions, concessions, parking and advertising.

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
New Orleans Area Tourism and Economic Development Fund	\$9,729,998	\$2,030,000	\$2,030,000	\$2,030,000	\$2,030,000	\$0

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$31,793,577	0	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$2,000,000	0	Funding for various high priority repairs to the Superdome
\$0	\$33,793,577	0	EXISTING OPERATING BUDGET – December 15, 2000
\$0	(\$301,183)	0	Risk Management Adjustment
\$0	\$1,299,000	0	Other Adjustments - Adjustment to reflect anticipated revenue projections that will be used for the general operation and maintenance of the Arena
\$0	\$424,180	0	Other Adjustments - Additional funding for the expenses of the Superdome
\$0	\$35,215,574	0	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 104.2 of the existing operating budget. It represents 97.3% of the total request (\$36,185,574) for this program. The major changes from total recommended and existing operating budget are due to additional funding for the New Orleans arena

PROFESSIONAL SERVICES

\$42,000	Accounting and Auditing for financial consultant to prepare the agency's budget, financial reports, maintain financial records, and make payments to the Superdome management firm and the New Orleans Saints
\$42,745	Other Professional Services for operations consultants
\$30,000	Engineering and Architectural funding for an architect to make periodic inspections of the facility, coordinate work of outside specialty consultants, develop capital outlay programs, investigate failures of the existing structures and perform additional
\$717,229	Other Professional Services for legal services to assist the Board in matters concerning the management firm's contract and other affairs as directed by the Board

\$831,974 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$9,300,000	Salaries, wages, benefits for operations of the Superdome for 180 full time employees and part time personnel
\$2,118,050	Management Fee to Facility Management of Louisiana for operating the Superdome
\$1,732,950	Marketing fund contribution-Funds which go into a Marketing Fund for the purpose of attracting events to the Superdome
\$2,650,000	Utilities for Superdome
\$450,000	Concessions Contract with Aramark for operating food and beverages in the Superdome
\$220,000	Advertising/Public Relations for promoting events at the Superdome
\$4,871,000	Saints inducement payments
\$1,650,000	Risk Management premiums for the LA Stadium & Exposition District, N. O. Area Arena, Saints Training Facility, and the Jefferson Baseball Stadium
\$4,630,000	Expenses associated with the New Orleans Arena
\$2,030,000	Funds associated with Act 1380 of the 1999 Regular Legislative Session pertaining to the Louisiana Superdome administering the New Orleans Area Tourism and Economic Development Fund
\$29,652,000	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$4,670,000	Various repair projects to the Superdome and the Arena
\$4,670,000	TOTAL ACQUISITIONS AND MAJOR REPAIRS